

To the Members of the California State Senate:

I am returning Senate Bill 577 without my signature.

I support the worthy goal to improve the performance of State government agencies, while reducing the cost of government. The California Performance Review made over 1,200 recommendations in their report, and this bill takes a few of those recommendations related to fiscal practices in the state. Unfortunately, the overall impact of these particular recommendations, taken in isolation, will not result in any savings or reduced costs, but will increase mandated workload on departments without sufficient resources or offsetting savings.

In particular, requiring all State agencies to use the CalATERS automated travel system will result in higher administrative costs for some departments, including the State Controller, who oversees the system. The bill places new reporting and coordinating functions on the California Service Corps, which represent a substantial workload increase that will take away from their core mission. Finally, it requires the Department of Finance and the State Controller's Office to make recommendations for developing a fiscal management system. A similar proposal was already rejected by the Legislature in last year's budget process.

I continue to encourage all the agencies and departments to use the CPR recommendations as guideposts in ongoing efforts to improve accountability throughout state government.

Sincerely,

Arnold Schwarzenegger